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## **FORMER BP NORTH AMERICA TRADER PLEADS GUILTY TO CONSPIRACY TO MANIPULATE AND CORNER THE PROPANE MARKET**

WASHINGTON – Dennis N. Abbott, a former trader at a U.S. subsidiary of British Petroleum, has pleaded guilty to conspiring to manipulate and corner the propane market in the winter of 2004, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Abbott, 34, of Houston, entered his plea to a conspiracy charge today in U.S. District Court for the District of Columbia, before Judge James Robertson. Under the terms of a plea agreement, Abbott faces up to five years in prison, a fine of \$250,000, and supervised release following any incarceration. Abbott has agreed to cooperate with law enforcement officials in an ongoing investigation.

Abbott admitted in his plea agreement and an accompanying factual statement that from Feb. 5, 2004 through July 28, 2004, he and other employees of a British Petroleum subsidiary, BP Products North America (BP), agreed to manipulate the February 2004 propane market for TET propane. Abbott admitted that prior to taking actions in furtherance of the scheme, he participated in a conversation with a co-conspirator in which they agreed that the market corner would permit BP not only to profit from the manipulation, but if successful, they would know BP could “control the market at will.”

Abbott admitted that he and his conspirators carried out the strategy by using BP’s market power and financial resources to buy large quantities of February 2004 TET propane to become the dominant long-holder of TET propane. The conspirators intended that their purchasing strategy would corner the market by reducing the supply of February 2004 TET propane, permitting them to sell propane at an artificially inflated price. If the plan was successful, BP would receive excessive profits derived through artificial manipulation of the market. By the end of February 2004, the conspirators controlled approximately 90 percent of TET propane supplies in the United States. Abbott admitted that the conspirators then sold TET propane at the end of February at an artificially inflated price and caused other market participants to pay a higher price than would have been available but for the market manipulation. The purpose of the conspiracy was to enrich BP by inflating the price of propane in February 2004 and then selling it at the inflated prices, and to enrich the conspirators through bonuses and other remuneration from BP.

Abbott admitted that he understood that the scheme was approved by senior executives at BP, and that steps were taken to avoid detection by market participants and others. For example, the co-conspirators were directed to avoid using any language such as “squeeze,” “leverage,” and “corner,” when describing the trading strategy in emails and telephone conversations.

“The defendant admits today to participating in a scheme designed to corner and manipulate a propane market,” said Assistant Attorney General Fisher. “The Justice Department is committed to enforcing criminal laws designed to preserve the integrity of the marketplace.”

The case is being investigated by the Federal Bureau of Investigation and the U.S. Postal Inspection Service, and prosecuted by Trial Attorneys Jerrob Duffy and Stacey K. Luck of the Criminal Division’s Fraud Section.

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